DRIEHAUS
CAPITAL MANAGEMENT

Driehaus Emerging Markets Growth Strategy Summary

3RD QUARTER 2023

The Driehaus Emerging Markets Growth strategy declined 3.15% during the third quarter, slightly underperforming the 2.93% fall in the MSCI Emerging Markets index.[1] For the year-to-date, the strategy has returned 3.05%, compared the 1.82% gain in the index. For the year, the main two stories in emerging markets have been the strong outperformance of value and the weakness of China, both of which continued in the third quarter. The MSCI Emerging Markets Growth index fell 4.92% during the quarter, compared with -0.65% for the MSCI Emerging Markets Value index. There has now been one quarter in the past two years where growth has outperformed value. While higher interest rates are certainly a piece of this, we see more of it being driven by an extreme aversion to risk-taking in China which has benefited value stocks disproportionately.

During the quarter, the strategy's largest detractor was China. In spite of another weak quarter overall for Chinese equities, the market slightly outperformed the broader emerging markets index which weighed somewhat on relative performance. More than allocation, stock selection hindered performance as the outperformance of value over growth was on full display and companies with better earnings performance generally performing worse than the broader market as investors were not willing to underwrite continued improvements in earnings given the state of the economy.

The biggest boosts to relative performance during the quarter came from varied sources. First, the strategy's overweight to the energy sector had a material contribution to returns. While most of this was in the form of traditional oil and gas, a holding in the uranium space was also a large outperformer during the quarter. Beyond energy, the strategy's biggest positive contributors were financials in Indonesia and being well-positioned for a positive turnaround in economic policies in Turkey.

Outlook and Positioning

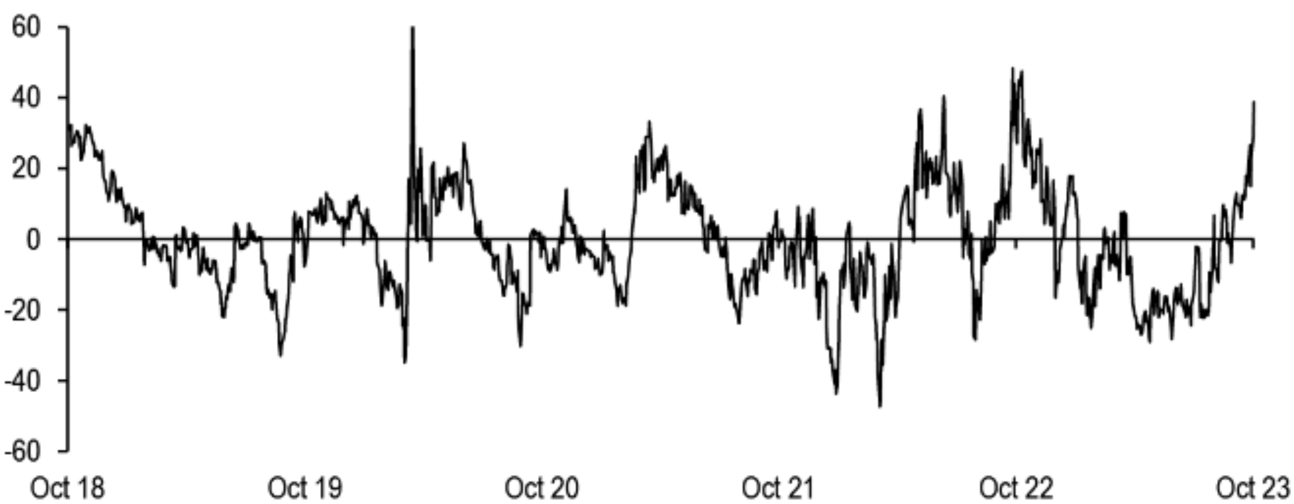
In our previous commentary, we highlighted what we thought were the two most important themes in emerging markets. The first was the ongoing weak economic situation in China and the difficulty in trying to predict a reversal in domestic confidence. We also discussed some of the initial impacts of generative-AI on the emerging markets asset class. Going forward, we know the evolution of data and geopolitical headlines out of China will remain important for absolute and relative performance, but another performance driver has also re-emerged from a temporary hiatus: US interest rates and the dollar.

[1]The performance data represents the strategy's composite of emerging markets growth accounts managed by Driehaus Capital Management LLC (DCM) (the composite). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

The higher for longer interest rates theme reared its head in the third quarter and pressured risk assets across the world, with emerging markets being no exception (EM equities did slightly outperform global equities however, a fact many may have missed). Yields increased across most global markets, with the move generally being led by the long end in a bear steepening fashion. The Federal Reserve, and central banks in general, were central to the market narrative. We have stressed the data dependent stance of the Fed, and that economic data has continued to realize better than expected from the growth perspective in recent months. We have not yet seen any meaningful pressure on labor markets, and that has left both the consumer and, consequently, economic growth stronger than expected. We do find it confusing that the data generally point to a better-than-expected dynamic in the US, while the behavior and commentary of most global consumer stocks would tell a different story.

With leading economic indicators globally, and in the US, being in contractionary territory since July 2022, it doesn't make intuitive sense to us that global bond markets would suddenly price continued better economic growth and higher inflation. Data supports this intuition in Exhibit 1.

Exhibit 1: Treasury yields have not been this dislocated relative to their fundamental drivers since October 2022, and before that, since March 2020
JP Morgan 10-year Treasury Fair-Value Model*; bp



Source: JPMorgan
*10-year Treasury yields regressed on 3m3m OIS rates (%), Fed policy guidance (months), 5Yx5Y TIPS breakevens (%), JPM US Growth FRI (%), Positions index (3-year z-score), regression over the last 5 years. R-squared = 97.9%, SE = 15.3bp.

There's no definitive answer to this question, but we believe recent price action has been more reflective of a supply narrative than a Fed rate pricing one. While it's intuitive to think that more bond supply equals higher rates, the data historically tells the opposite story (think of the example of Japan). The reason, historically, has been that high levels of debt tend to depress future growth and ultimately that puts downward pressure on yields. It's also true that most countries with high debt loads have poor demographics and productivity growth potential, neither of which is true in the US (good demographics and labor force growth relative to the rest of the world).

With this context in mind, it's important to point out how things could be different this time around. First, there is far more bond supply out there than we've seen in recent years and fiscal deficits in the US are actually expected to increase over the next two years. The second is that there has been a massive decline in the number of price insensitive buyers of US treasuries- namely the Federal Reserve and foreign central banks. Finally, there is an argument that the US fiscal policy overall lacks credibility, credibility which becomes harder to achieve the higher interest rates are. Above trend growth and record deficits do not engender much confidence in the future path of deficits and it's logical for the market to price that the US will continue to choose growth over fiscal sustainability, at least until there's a more clear cost to that choice.

Why are we discussing this in an emerging markets commentary? It has had a huge impact on emerging market assets in the past few months. The narrative that rates have to be higher due to the strong economy has meant that countries which were starting to price lower rates (Brazil, Mexico, South Africa) have weakened as the market begins to assume there will be no space for easing in these markets. We think this will ultimately be the wrong conclusion, but it has introduced volatility into the asset class and the FX market. The US fiscal dynamics are highly reminiscent of what we see in emerging markets all the time- yields moving higher due to fiscal concerns. The one massive difference is that when we see this in other countries, the currency weakens. The opposite has happened here, with the dollar having a very strong third quarter. The biggest reason, in our view, is that economic growth has held up better in the US relative to Europe and Japan. The second reason is that the recent strength in oil prices is now strongly positively correlated with dollar strength (higher oil = higher USD). We don't think this is a stable equilibrium; the market is unlikely to continue pricing in the US' deteriorating fiscal dynamics alongside a stronger dollar. We see scope for a reversion in USD strength in the fourth quarter, with the scale of that being dictated by economic situations in the rest of the world. If global economic growth remains weak, with China the biggest swing factor, then it's likely this reversal of USD strength would be shallow.

Leading indicators have been improving in China, which would exacerbate a reversal in the dollar, and a reversal in equity market trends. We won't spend time rehashing all of the reasons Chinese equities have been weak the past few years, but should data and confidence stabilize, we would anticipate a brisk market reaction. China is the only large market in the world with low and declining interest rates. It has a market that is trading below 10x earnings and a large domestic savings base with very few places to park money. The government has recently been buying stock and is trying hard to engender a market turnaround. While it looks bleak now, they have a pretty good track record of achieving such goals.

Driehaus Emerging Markets Growth Strategy

% Month-End Performance (as of 9/30/23)

				Annualized				
	MTH	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception[2]
Driehaus Emerging Markets Growth Composite (Gross)	-2.56	-2.96	3.64	7.91	-1.37	4.23	4.72	11.13
Driehaus Emerging Markets Growth Composite (Net)	-2.63	-3.15	3.05	7.10	-2.10	3.42	3.70	9.55
MSCI Emerging Markets Index (ND) (Benchmark)	-2.62	-2.93	1.82	11.70	-1.73	0.55	2.07	*
MSCI Emerging Markets Growth Index (ND)	-4.11	-4.92	-1.76	7.71	-7.19	0.63	2.83	*

Top 5 Holdings[5] (as of 8/31/23)

Company	Country	Sector	% of Strategy
Tencent Holdings Ltd.	China	Communication Services	5.3
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Taiwan	Information Technology	5.1
Samsung Electronics Co., Ltd.	South Korea	Information Technology	4.9
ICICI Bank Limited Sponsored ADR	India	Financials	2.1
PT Bank Mandiri (Persero) Tbk	Indonesia	Financials	1.9

Sector Weights (%)

	Strategy	Benchmark	*Active Weights*
Communication Services	9.0	9.6	*-0.6*
Consumer Discretionary	10.7	13.7	*-3.0*
Consumer Staples	7.4	6.2	*1.2*
Energy	7.6	5.2	*2.3*
Financials	16.5	22.2	*-5.7*
Health Care	4.3	3.8	*0.6*
Industrials	5.7	6.7	*-1.0*
Information Technology	21.6	20.2	*1.4*
Materials	3.6	8.0	*-4.3*
Real Estate	3.6	1.7	*1.9*
Utilities	2.9	2.6	*0.3*
Cash	6.9	0.0	*6.9*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance Data as of 9/30/23.
*The inception of the strategy predates the inception of the index.
The performance data represents the strategy's composite of emerging markets growth accounts managed by Driehaus Capital Management LLC (DCM). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

[1]Composite assets include those accounts that meet the composite objectives and eligibility requirements. Please see the notes at the end of this document for additional information.[2]1/1/1997. [3]Portfolio characteristics represent the strategy's composite. [4]Data is calculated monthly. [5]Holdings subject to change.

Key Features

- All cap global emerging markets exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

Facts

Inception Date	1/1/97
Composite Assets Under Management[1]	$4.6 billion
Firm Assets Under Management	$14.1 billion
Investment Universe	EM all cap equity
Investment Style	Growth equity
Investment Vehicles :	Separately Managed Account Institutional Commingled Mutual Fund

Portfolio Characteristics[3]

5-year period	**Strategy**	**Benchmark**
Information Ratio	0.55	n/a
Beta	0.87	1.00
Standard Deviation	17.43	19.24
Tracking Error	5.22	n/a
R-squared	0.93	1.00

Market Cap Breakout	**Strategy**	**Benchmark**
<$5 billion	7.0%	7.0%
$5- $15 billion	21.4%	25.7%
> $15 billion	71.7%	64.5%

	Strategy	**Benchmark**
Number of Holdings	121	1,437
Weighted Avg. Market Cap (M)	$127,704	$99,669
Median Market Cap (M)	$17,700	$6,323
Est. 3-5 Year EPS Growth	15.5%	16.3%
Active Share (3-year avg.)[4]	78.13	n/a

Portfolio Management

Howard Schwab, Lead Portfolio Manager
23 years of industry experience

Chad Cleaver, CFA, Portfolio Manager
21 years industry experience

Richard Thies, Portfolio Manager
16 years of industry experience

Driehaus Emerging Markets Growth Strategy

Country Weights* (%)

	Strategy	Benchmark	*Active Weights*
Argentina	0.8	0.0	*0.8*
Brazil	8.4	5.4	*3.0*
Chile	0.0	0.5	*-0.5*
China/Hong Kong	21.5	30.0	*-8.5*
Colombia	0.0	0.1	*-0.1*
Czech Republic	0.0	0.2	*-0.2*
Egypt	0.0	0.1	*-0.1*
Greece	1.0	0.4	*0.5*
Hungary	0.0	0.2	*-0.2*
India	17.3	15.7	*1.6*
Indonesia	2.7	2.0	*0.7*
Kuwait	0.0	0.8	*-0.8*
Malaysia	0.0	1.4	*-1.4*
Mexico	6.6	2.5	*4.1*
Panama	1.2	0.0	*1.2*
Peru	1.0	0.3	*0.8*
Philippines	0.9	0.6	*0.3*
Poland	0.0	0.7	*-0.7*
Qatar	0.4	0.9	*-0.5*
Romania	0.0	0.0	*0.0*
Saudi Arabia	1.9	4.1	*-2.3*
South Africa	0.5	2.8	*-2.3*
South Korea	8.2	12.2	*-4.0*
Taiwan	11.4	14.7	*-3.3*
Thailand	1.2	1.9	*-0.7*
Turkey	1.1	0.8	*0.4*
United Arab Emirates	2.7	1.4	*1.3*
Other[1]	4.2	0.2	*4.0*
Cash	6.9	0.0	*6.9*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc.
Data as of 9/30/23. Benchmark: MSCI Emerging Markets Index (ND)
[1]Represents companies domiciled in developed countries that have significant emerging markets exposures.
*Emerging market companies are (i) companies organized under the laws of an emerging market country or having securities which are traded principally on an exchange or over-the-counter in an emerging market country; or (ii) companies which, regardless of where organized or traded, have a significant amount of assets located in and/or derive a significant amount of their revenues from goods purchased or sold, investments made or services performed in or with emerging market countries.

Sector Attribution 3rd Quarter – 6/30/23 to 9/30/23

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Communication Services	8.77	-8.92	-0.78	9.72	-5.87	-0.57	-0.27
Consumer Discretionary	12.02	2.59	0.19	13.75	0.75	0.04	0.13
Consumer Staples	7.65	-3.90	-0.30	6.26	-4.41	-0.27	0.04
Energy	8.30	7.16	0.53	5.09	6.14	0.29	0.36
Financials	18.02	-4.71	-0.82	21.81	-1.73	-0.38	-0.63
Health Care	3.81	-2.29	-0.08	3.76	-0.85	-0.04	-0.06
Industrials	6.65	-4.91	-0.31	6.39	-3.73	-0.24	-0.12
Information Technology	20.37	-7.68	-1.55	20.62	-6.82	-1.37	-0.23
Materials	3.60	-5.81	-0.26	8.24	-3.84	-0.32	-0.04
Real Estate	2.69	6.70	0.17	1.74	-0.57	-0.01	0.21
Utilities	2.85	8.25	0.22	2.57	-3.06	-0.08	0.29
Cash	5.27	-0.17	-0.01	0.00	0.00	0.00	0.27
Other[3]	0.00	-0.35	-0.34	0.04	5.30	0.01	-0.35
Total	100.00	-3.35	-3.35	100.00	-2.94	-2.94	-0.40

Data as of 9/30/23.
Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

[1]The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. [2]**Total Effect -** The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector. [3]Other refers to operating expenses and securities not recognized by Factset.

Per FactSet Research Systems Inc., the attribution report provides an in-depth analysis of relative performance. With this report one can research whether or not a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only.

Country Performance Attribution 3rd Quarter – 6/30/23 to 9/30/23

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
MSCI Country	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Argentina	0.99	-3.21	0.00	0.00	0.00	0.00	0.02
Australia	0.47	-6.14	-0.03	0.00	0.00	0.00	-0.02
Brazil	8.82	-2.12	-0.16	5.43	-3.63	-0.18	0.13
Canada	1.78	10.06	0.19	0.00	0.00	0.00	0.25
Chile	0.00	0.00	0.00	0.53	-9.76	-0.05	0.04
China	18.60	-6.20	-1.16	26.15	-1.78	-0.55	-0.88
Colombia	0.00	0.00	0.00	0.10	0.14	0.00	0.00
Czech Republic	0.00	0.00	0.00	0.16	0.97	0.00	-0.01
Egypt	0.00	0.00	0.00	0.08	15.32	0.01	-0.01
Greece	1.08	-10.01	-0.09	0.46	-7.82	-0.03	-0.05
Hong Kong	5.16	-1.21	-0.08	3.60	-3.43	-0.13	0.10
Hungary	0.00	0.00	0.00	0.24	0.51	0.00	-0.01
India	16.84	2.06	0.36	14.90	2.72	0.38	-0.02
Indonesia	2.78	6.43	0.17	1.98	-3.37	-0.07	0.25
Israel	0.09	-16.62	-0.02	0.00	0.00	0.00	-0.03
Japan	0.57	16.80	0.08	0.00	0.00	0.00	0.10
Kuwait	0.00	0.00	0.00	0.83	-2.73	-0.02	0.00
Luxembourg	0.00	0.00	0.00	0.10	-2.91	0.00	0.00
Malaysia	0.00	0.00	0.00	1.39	4.49	0.05	-0.10
Mexico	5.95	-3.25	-0.23	2.70	-6.49	-0.16	0.07
Netherlands	0.50	-10.31	-0.05	0.00	0.00	0.00	-0.04
Panama	0.49	-19.37	-0.08	0.00	0.00	0.00	-0.08
Peru	0.90	-9.03	-0.09	0.27	-3.97	-0.01	-0.06
Philippines	0.82	-0.43	0.00	0.62	-3.84	-0.02	0.03
Poland	0.32	-29.59	-0.10	0.75	-12.03	-0.09	-0.04
Qatar	0.42	-8.63	-0.04	0.92	0.06	-0.01	-0.05
Romania	0.00	0.00	0.00	0.04	-1.59	0.00	0.00
Saudi Arabia	1.98	-2.89	-0.05	4.16	-4.41	-0.17	0.05
Singapore	0.00	0.00	0.00	0.02	-12.29	0.00	0.00
South Africa	0.43	5.44	0.02	3.12	-4.76	-0.13	0.09
South Korea	8.39	-9.28	-0.79	12.38	-6.62	-0.82	-0.12
Taiwan	10.59	-10.33	-1.06	15.04	-7.38	-1.09	-0.17
Thailand	1.27	-5.56	-0.07	1.96	-4.49	-0.09	0.00
Turkey	0.89	50.15	0.30	0.67	32.71	0.17	0.17
United Arab Emirates	2.42	4.45	0.11	1.32	6.11	0.07	0.07
United Kingdom	1.61	0.37	0.00	0.02	-48.83	-0.01	0.09
United States	0.55	-23.66	-0.10	0.06	-2.69	0.00	-0.09
Uruguay	0.04	-13.97	-0.04	0.00	0.00	0.00	-0.04
Cash	5.27	-0.17	-0.01	0.00	0.00	0.00	0.27
Other[3]	0.00	-0.35	-0.34	0.00	0.00	0.00	-0.34
Total	100.00	-3.35	-3.35	100.00	-2.94	-2.94	-0.40

Sources: FactSet Research Systems Inc. and Driehaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. [1]A definition of this index can be found on page 6. [2]Total Effect - The Total Effect for each MSCI Country is equal to the sum of the individual Attribution Effects for that MSCI Country. [3]Other refers to operating expenses and securities not recognized by Factset.

Notes // Driehaus Emerging Markets Growth Strategy

FIRM DEFINITION
Driehaus Capital Management LLC (DCM) is a registered investment adviser with the United States Securities and Exchange Commission (SEC). DCM provides investment advisory services using growth equity and credit strategies to individuals, organizations, and institutions. The firm consists of all accounts managed by DCM (the Company).

DCM claims compliance with the Global Investment Performance Standards (GIPS®).

COMPOSITE DESCRIPTION
The Emerging Markets Growth Composite (the Composite) was created in January 1997. An account is considered to be an emerging markets growth account if it seeks capital appreciation by investing primarily in equity securities of rapidly growing companies in emerging markets countries around the world. This strategy may invest substantially all (no less than 80%) of its assets in emerging markets companies.

PERFORMANCE RESULTS
Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings.

Past performance is not indicative of future results. All investments have risks and you could lose money.

Valuations and returns are computed and stated in U.S. dollars. Returns are presented on a pretax basis .

Additional information regarding policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. A list of composite descriptions and a list of broad distribution pooled funds are available upon request. Please contact our sales, marketing and relationship management department at 312-932-8621.

RISKS
All investments have risks. The strategy invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the strategy has benefited from unusually strong market conditions. At times, a significant portion of an account's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a strategy with a smaller asset base, and the strategy may not experience similar performance results as its assets grow. Investments in overseas markets can pose more risks than U.S. investments. In addition, the strategy's returns will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which the strategy invests. These risks are generally greater when investing in emerging markets.

TAX EFFECT
Income tax may be withheld on income depending on the tax laws of each country and its treaty, if any, with the U.S. Such withholding taxes are reflected in the performance of accounts.

INDICES
The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

The Morgan Stanley Capital International Emerging Markets Growth Index (MSCI Emerging Markets Growth Index) is a subset of the MSCI Emerging Markets Index and includes only the MSCI Emerging Markets Index stocks which are categorized as growth stocks. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

The most recent annual GIPS Report is available here.

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TERMS
Active share represents the share of portfolio holdings that differ from the benchmark index holdings. **Beta** is a measure of a portfolio's volatility. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. **Information Ratio (IR)** measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **R-Squared** is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. For fixed-income securities, the benchmark is the T-bill. For equities, the benchmark is the S&P 500. **Standard Deviation** is a measure of the average deviations of a return series from its mean; often used as a measure of portfolio volatility. A large standard deviation implies that there have been large swings or volatility in the manager's return series. **Tracking Error** is a divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

For more information about Driehaus Capital Management LLC, please contact us at 312.932.8621.